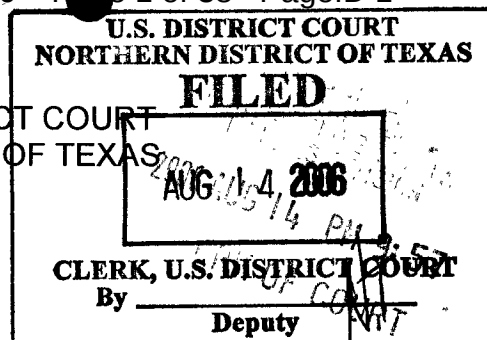


V
H/AH
ORIGINAL

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



TERRY L. HILL and
INSTITUTIONAL SECURITIES
CORPORATION,
Plaintiffs,

v.

QUADS FINANCIAL GROUP, INC. and
QUADS TRUST COMPANY,
Defendants.

Civil Action No. _____

3 - 0 6 C V 1 4 6 5 - L

3227

NOTICE OF REMOVAL

1. Defendant, QUADS Financial Group, Inc. (QFG) was incorporated in Delaware and has its principal place of business in Maryland.

2. Defendant, QUADS Trust Company (QTC) was chartered as a non-depository financial institution in Maine and has its principal place of business in Maryland.

3. Plaintiff, Terry L. Hill (Hill) is a citizen of Texas.

4. Plaintiff, Institutional Securities Corporation (ICS) was incorporated in Texas and has its principal place of business in Texas.

5. Hill and ICS filed "Plaintiffs' Original Petition" styled *Terry L. Hill and Institutional Securities Corporation v. QUADS Financial Group, Inc. and QUADS Trust Company*, Cause No. 06-06325 (A-14th Judicial District) Dallas County, Texas. Said petition was served on the defendants on July 24, 2006. Incorporated by reference are Exhibits A-D filed pursuant to Local Rule 81.1 and 28 U.S.C. §1446(a).

6. The thirtieth day after July 24, 2006, is August 23, 2006.

7. This case is eligible to be removed to this Court pursuant to 28 U.S.C. § 1441 (a).

I
**GROUND FOR REMOVAL
PURSUANT TO 28 U.S.C. § 1441(a) – DIVERSITY**

8. Both plaintiffs are citizens of Texas. Neither defendant is a citizen of Texas. There is complete diversity between all of the plaintiffs, on the one hand, and all of the defendants, on the other.

9. The jurisdictional amount of \$75,000.00 is met because the plaintiffs seek an injunction preventing the defendants from pursuing their business in Texas. Such an injunction is worth in excess of \$75,000.00 to the plaintiffs and would impose a cost to the defendants in excess of \$75,000.00

10. The defendant QTC entered into custodial arrangements with non-profit organizations in Texas and elsewhere to make available tax deferred custodial accounts to employees of such non-profit organizations under Section 403(b) of the Internal Revenue Code. As of June 30, 2006, QTC had \$237,989,608 in assets it holds as custodian for participants working in Texas, many of whom are public employees of Texas.

11. QTC authorized ISC to be its representative selling QTC custodial accounts in Texas. Hill acted on behalf of ISC during and after Hill acted as a director of the defendant QFG.

12. Plaintiff Hill committed business torts against the defendants, which torts included violating his duty of loyalty as a director for the defendants, self dealing and secretly profiting at the expense of the defendants. Hill

misappropriated the defendants' trademarks, trade secrets and other confidential and proprietary business information in order to use them to his own benefit. Hill was sent a cease and desist letter by QTC's counsel regarding Hill's unlawful use of QTC's trademark.

13. There is likely to be evidentiary support, after a reasonable opportunity for further investigation and discovery, establishing that Hill has violated the securities laws of the United States.

14. In addition to acting as the participants' RIA, the plaintiffs, on information and belief, also act as the participants' securities brokers. Plaintiffs thus derive revenues from participants as their RIA and as their broker. On information and belief, plaintiffs also receive "12(b)(1) trails" which are payments made to plaintiffs by various mutual funds in which the participants invest on the advice of the plaintiffs. There is likely to be evidentiary support, after a reasonable opportunity for further investigation and discovery, establishing that plaintiffs have been churning the participants' accounts, are advising the participants to invest in inappropriate securities, and are receiving 12(b)(1) trails.

15. QTC has been the custodian for payroll slot accounts with the right to authorize RIAs and brokers to communicate with participants in connection with their use of QTC custodial accounts. Confronted with these circumstances regarding Hill's abuse of his relationship with QTC, QTC's participants and QTC's payroll slots, QTC terminated its relationship with the plaintiffs and has become qualified to engage in the business of advising participants, as a Trust company, in Texas.


16. If enjoined from continuing their business in Texas, Hill will derive and protect his illicit profits well in excess of \$75,000.00. The value of the injunction sought by the plaintiffs may exceed \$2.3 million.

Wherefore, for the foregoing reasons, the defendants hereby notice the removal of the state court action to this honorable court and request that the court hold an evidentiary hearing regarding this matter.

**I SWEAR THAT THE FOREGOING IS TRUE AND CORRECT TO THE
BEST OF MY INFORMATION AND BELIEF.**


Wayne S. Foren, CEO
QUADS Financial Group, Inc. and
QUADS Trust Company

Respectfully submitted,


Mike Forni Texas Bar # 24032184
100 Crecent Court, 7th Floor
Dallas, Texas 75201
(214) 459-8228 - Phone
(214) 459-3101 - Fax

CERTIFICATE OF SERVICE

I hereby certify that I caused the foregoing Notice Of Removal to be served by ~~first class~~ mail, postage pre-paid this 14th day of August 2006, addressed to: ~~certified~~

Donald H. Ray, Esq.
Ray & Wilson
6300 Ridglea Place, Suite 1008
Fort Worth TX 76116


Mike Forni

CONFIDENTIAL
U.S. DEPT. OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D.C. 20535

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

**TERRI L. HILL and
INSTITUTION SECURITIES
CORPORATION**

Plaintiffs,

V.

QUADS FINANCIAL GROUP, INC. and
QUADS TRUST COMPANY,

Defendants.

[illegible]

CIVIL ACTION NO. _____

INDEX OF STATE COURT DOCUMENTS

- | | | |
|----|---------|---|
| 1. | 7/6/06 | Dallas County Civil District Court Cover Sheet |
| 2. | 7/6/06 | Plaintiffs' Original Petition |
| 3. | 8/3/06 | Citation to Quads Financial Group, Inc. with Affidavit of Service |
| 4. | 8/3/06 | Citation to Quads Trust Company with Affidavit of Service |
| 5. | 8/11/06 | Dismissal Letter |

EXHIBIT

A

AVERTY

REC'D, IT'S AFTER MADE FROM 20% POST CONSUME CONTENT

Filing:

No.

No. DC-06-06325-A

ATTORNEYS

Filed: 07/06/2006

14th District Court

TERRY HILL vs. QUADS FINANCIAL GROUP INC

Lead Attorney
RAY, DONALD H

Defendant
QUADS FINANCIAL

Lead Attorney

10070003141945

Dona Id H. Ray # 16598000
6300 Ridglea Place, Suite 1008
Fort Worth, TX 76116
(817) 377-0500 (817) 377-1232 Fax

[illegible]

RECEIVED
U.S. DISTRICT COURT
DISTRICT OF COLUMBIA

U.S. DISTRICT COURT
DISTRICT OF COLUMBIA
RECEIVED
U.S. DISTRICT COURT
DISTRICT OF COLUMBIA

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

**TERRI L. HILL and
INSTITUTION SECURITIES
CORPORATION**

Plaintiffs,

V.

QUADS FINANCIAL GROUP, INC. and
QUADS TRUST COMPANY,

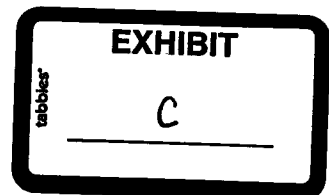
Defendants.

§ §

CIVIL ACTION NO. _____

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| 5. | 8/11/06 | Dismissal Letter |





DALLAS COUNTY CIVIL DISTRICT COURT COVER SHEET

 STYLED Terry Hill et al v. QUADS Financial Group, Inc.
 et al

2006 JUL -6 AM 9:30

This Civil Cover Sheet must be completed, filed and served with every petition. The information should be the best available at the time of filing, understanding that the information may change before trial. This information does not constitute a discovery request, response, or supplementation, and is not admissible at trial. Check (✓) all applicable boxes.

Plaintiff(s) <input type="checkbox"/> Pro Se Address _____ Telephone/Fax _____ E-mail _____ <input checked="" type="checkbox"/> Attorney for Plaintiff(s) State Bar No. <u>16598000</u> Address <u>1008 Riegle Rd</u> <u>Fort Worth, TX 76116</u> Telephone/Fax <u>817-377-0500, 817-377-1232</u> E-mail <u>draylw@scsbell.net</u>	Defendant(s) (list separately) <u>QUADS Financial Group, Inc.</u> <u>QUADS Trust Company</u>
---	---

PARTIES MUST CHECK ONE CASE TYPE AND MAY CHECK ONE SUB-TOPIC

<input type="checkbox"/> Administrative Appeal <input type="checkbox"/> Bill of Review <input type="checkbox"/> Certiorari <input type="checkbox"/> Code Violations <input type="checkbox"/> Condemnation <input type="checkbox"/> Construction <input type="checkbox"/> Debt/Contract <input type="checkbox"/> Defamation <input type="checkbox"/> Other Commercial Dispute <input type="checkbox"/> Antitrust/Unfair Comp <input type="checkbox"/> Consumer/DTPA <input type="checkbox"/> Franchise <input type="checkbox"/> Fraud/Misrep <input type="checkbox"/> Intellectual Property <input type="checkbox"/> Non-Competes <input type="checkbox"/> Partnership <input type="checkbox"/> Securities/Stock <input checked="" type="checkbox"/> Tortious Interference <input checked="" type="checkbox"/> Other Commercial <input type="checkbox"/> Discipline <input type="checkbox"/> Discovery <input type="checkbox"/> Rule 202 Depositions <input type="checkbox"/> Commissions <input type="checkbox"/> Subpoena <input type="checkbox"/> Letters Rogatory <input type="checkbox"/> Other Discovery <input type="checkbox"/> Employment <input type="checkbox"/> Discrimination <input type="checkbox"/> Retaliation	<input type="checkbox"/> Termination <input type="checkbox"/> Other Employment <input type="checkbox"/> Foreclosure <input type="checkbox"/> R 736 <input type="checkbox"/> Other than R 736 <input type="checkbox"/> Foreign Judgment <input type="checkbox"/> Insurance <input type="checkbox"/> Mass Tort/MDL/Rule 11 <input type="checkbox"/> Asbestos <input type="checkbox"/> Baycol <input type="checkbox"/> Breast Implant <input type="checkbox"/> Firestone <input type="checkbox"/> Phen-Fen <input type="checkbox"/> Silica <input type="checkbox"/> Other Multi-Party <input type="checkbox"/> Motor Vehicle Accident <input type="checkbox"/> Other Personal Injury <input type="checkbox"/> Assault/Battery <input type="checkbox"/> Product <input type="checkbox"/> Premises <input type="checkbox"/> Other Personal Injury <input type="checkbox"/> Name Change <input type="checkbox"/> Post-Judgment <input type="checkbox"/> Professional Liability <input type="checkbox"/> Accounting <input type="checkbox"/> Legal <input type="checkbox"/> Med/Mal <input type="checkbox"/> Other Prof. Liab. <input type="checkbox"/> Property	<input type="checkbox"/> Partition <input type="checkbox"/> Quiet Title <input type="checkbox"/> Trespass/Try Title <input type="checkbox"/> Other Property <input type="checkbox"/> Prejudgment Remedy <input type="checkbox"/> Seizure/Forfeiture <input type="checkbox"/> Tax <input type="checkbox"/> Tax Appraisal <input type="checkbox"/> Tax Delinquency <input type="checkbox"/> Tax Land Bank <input type="checkbox"/> Tax Personal <input type="checkbox"/> Tax Real <input type="checkbox"/> Workers Comp <input type="checkbox"/> Other ADDITIONAL SUB-TOPICS <input type="checkbox"/> Attachment <input type="checkbox"/> Bill of Discovery <input type="checkbox"/> Class Action <input type="checkbox"/> Declaratory Judgment <input type="checkbox"/> Garnishment <input type="checkbox"/> Interpleader <input type="checkbox"/> License <input type="checkbox"/> Mandamus <input type="checkbox"/> Receiver <input type="checkbox"/> Sequestration <input type="checkbox"/> Severance <input type="checkbox"/> TRO/Injunction <input type="checkbox"/> Turnover
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DISCOVERY LEVEL

☐ Level 1☐ Level 2☒ Level 3

Local Rule 1.08 Certification (Must be completed and signed)

☒ This case is not subject to transfer pursuant to Local Rule 1.07, OR

☐ This case is related to another case filed or disposed of in Dallas County:

Court: _____ Style: _____

Case No. _____

 Attorney's Signature

RAY & WILSON

ATTORNEYS & COUNSELORS

DONALD H. RAY, P.C.

DRAYLAW@SWBELL.NET

A. BRUCE WILSON

WILSONAB@SWBELL.NET

FILED
2006 JUL -6 AM 9:37

6300 RIDGLEA PLACE, SUITE 1008

FORT WORTH TX 76116-5704

TELEPHONE: 817/377-0500

FACSIMILE: 817/377-1232

July 3, 2006

Jim Hamlin, District Clerk
600 Commerce Street, Suite 103
Dallas, TX 75202

06-06325

A-14th

Re: Terry L. Hill, et al v QUADS Financial Group, Inc., et al

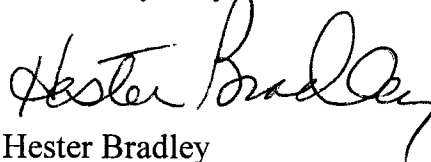
Dear Sir:

Enclosed for filing is Plaintiffs' Original Petition, together with our check in the amount of \$233.00 in payment of your filing fees, including citation for **out-of-county service**. Please issue citations for service on the defendants as follows:

- Quads Financial Group, Inc., by serving its Chief Executive Officer, Wayne S. Foren, or its Vice President of Finance & Administration, Victor M. George, at 12 W. Church St., Frederick, Maryland, 21701.
- Quads Trust Company, by serving its Chief Executive Officer, Wayne S. Foren, or its Vice President, Victor M. George, at 12 W. Church St., Frederick, Maryland, 21701.

Please file-mark the enclosed copy and return it to our courier.

Yours very truly,



Hester Bradley
Legal Assistant

heb
Enclosure

Cause No. 06-06325

A-14th

Judicial District

Terry L. Hill and
Institutional Securities Corporation
Plaintiffs

v.
QUADS Financial Group, Inc., and
QUADS Trust Company
Defendants

§
§
§
§
§
§
§

Dallas County, Texas

Plaintiffs' Original Petition

Terry L. Hill ("Hill") and Institutional Securities Corporation ("ISC") (collectively the "Plaintiffs") complain of QUADS Financial Group, Inc., ("QUADS") and QUADS Trust Company ("QUADS Trust") and would show as follows:

I.

Discovery shall be conducted under TRCP 190.3.

II.

2.01. Hill is an individual residing in Dallas County, Texas. ISC is a corporation with its principal place of business in Dallas County, Texas.

2.02 QUADS is organized under the laws of the State of Delaware, and may be served with process by serving its Chief Executive Officer, Wayne S. Foren, at 12 W. Church St., Frederick, Maryland, 21701, or its Vice President of Finance & Administration, Victor M. George, at the same address.

2.03 QUADS Trust is a non-depository trust company organized under the laws of the State of Maine. QUADS Trust may be served by serving its Chief Executive Officer,

Wayne S. Foren, at 12 W. Church St., Frederick, Maryland, 21701, or its Vice President,
Victor M. George, at the same address.

III.

3.01 Venue is proper in Dallas County, Texas, as all or a substantial part of the events or omissions complained of herein occurred in Dallas County.

3.02 This Court has jurisdiction because the damages claimed are within the jurisdictional limits of this Court.

IV.

4.01 For a number of years Hill was a director of QUADS and was compensated in accordance with the agreement with QUADS. QUADS has recently refused, however, to compensate Hill as agreed for his services and currently owes Hill the sum of Thirty-one Thousand Five Hundred Dollars (\$31,500) for past director's fees. Hill brings this suit to recover the amount owing him and, in addition thereto, reasonable and necessary attorney's fees in prosecuting his claim against QUADS.

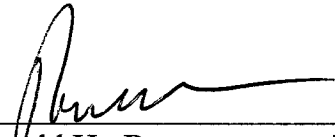
4.02 QUADS and QUADS Trust have jointly begun a pattern of trying to disrupt the business of ISC and its business relationship with its clients by trying to move the clients to a competing organization without the consent of the clients, made numerous unauthorized charges to accounts of ISC clients, and misrepresented to institutions the ownership of the clients of ISC. Consequently, ISC and the business of ISC is being threatened with serious injury for which there is no adequate remedy at law. Consequently, ISC requests relief in the

form of a permanent injunction prohibiting QUADS and QUADS Trust from interfering with the business relationship between ISC and its clients.

WHEREFORE, Plaintiffs request that the Defendant be cited to appear and answer herein and that upon final hearing the Plaintiffs recover:

- 1) Sum of Thirty-one Thousand Dollars (\$31,500) from QUADS for past due and owing director's fees;
- 2) reasonable attorney's fees;
- 3) prejudgment and post judgment interest as allowed by law;
- 4) injunctive relief;
- 4) costs of court and such other and further relief to which Plaintiffs may show themselves to be justly entitled.

Respectfully submitted,



Donald H. Ray Texas Bar #16598000
RAY & WILSON
6300 Ridglea Place, Suite 1008
Fort Worth, TX 76116
Telephone: 817.377.0500
Fax: 817.377.1232
Attorneys for Plaintiffs

FORM NO. 353-3 - CITATION
THE STATE OF TEXAS

To: QUADS FINANCIAL GROUP INC
BY SERVING ITS CHIEF EXECUTIVE OFFICER-WAYNE S FOREN
12 W CHURCH ST
FREDERICK MD 21701

GREETINGS:

You have been sued. You may employ an attorney. If you or your attorney do not file a written answer with the clerk who issued this citation by 10 o'clock a.m. of the Monday next following the expiration of twenty days after you were served this citation and **ORIGINAL** petition, a default judgment may be taken against you. Your answer should be addressed to the clerk of the **14th District Court** at 600 Commerce Street, Dallas, Texas 75202.

Said Plaintiff being **TERRY L HILL**

Filed in said Court on **this the 6th day of July, 2006** against

QUADS FINANCIAL GROUP INC et al

For suit, said suit being numbered **DC-06-06325-A**, the nature of which demand is as follows:
 Suit On COMMERCIAL DISPUTE etc. as shown on said petition, a copy of which accompanies this citation. If this citation is not served, it shall be returned unexecuted.

WITNESS: JIM HAMLIN, Clerk of the District Courts of Dallas, County Texas.

Given under my name and the Seal of said Court at office on this **11th day of July, 2006**

ATTEST: JIM HAMLIN

Clerk of the District Courts of Dallas, County, Texas

By

(*Pearlette Terry*) Deputy
PEARLETTE TERRY

Attorney for Plaintiff
DONALD H RAY
6115 CAMP BOWIE
SUITE 200
FORT WORTH TX 76116
817-377-0500

MAIL ATTY

CITATION

No. : **DC-06-06325-A**

TERRY HILL

vs.

QUADS FINANCIAL GROUP INC et al

ISSUED

on **this the 11th day of July, 2006**

JIM HAMLIN
 Clerk District Courts,
 Dallas County, Texas

By **PEARLETTE TERRY**, Deputy

DALLAS COUNTY COMPTROLLER
 FEES PAID
 FEES NOT PAID

HEADQUARTERS
FREDERICK COUNTY LAW
ENFORCEMENT CENTER
 110 Airport Drive East
 Frederick, MD 21701
 301-694-1046
 301-694-1527 (Fax)
 301-662-7655 (TTY)

JUDICIAL OPERATIONS
 100 W. Patrick Street
 Frederick, MD 21701
 301-694-2162
 301-631-3690 (Fax)



JAMES W. HAGY
SHERIFF

DETENTION CENTER
 7300 Marcie's Choice Lane
 Frederick, MD 21704
 301-694-2550
 301-694-2566 (Fax)

CENTRAL BOOKING
 7300 Marcie's Choice Lane
 Frederick, MD 21704
 301-694-1790
 301-694-1791 (Fax)

AFFIDAVIT OF SERVICE

STATE OF MARYLAND

COUNTY OF FREDERICK

I, Robert Disinger, A Constable, County of Frederick, State
 of Maryland, being dully sworn, depose and say that I am a person of suitable age and
 discretion to serve process, and not a party to the case; that on the 24th day of
July, 2006 at 1:26PM

I **PERSONALLY** SERVED a:

Citation

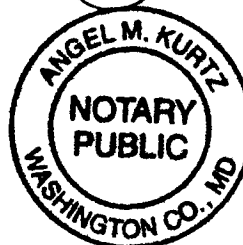
Quarks Financial Group, Inc. c/o Victor George (Vice President)

Robert Disinger
 CONSTABLE
 FREDERICK COUNTY, MARYLAND

SWORN TO AND SUBSCRIBED before me, this

26th day of July, 2006.

Angel M. Kurtz
 NOTARY PUBLIC



MY COMMISSION EXPIRES:

ANGEL M. KURTZ
NOTARY PUBLIC STATE OF MARYLAND
 My Commission Expires December 27, 2008

FILED
 65 AUG -3 AM 7:57

FORM NO. 353-3 - CITATION
THE STATE OF TEXAS

To: QUADS TRUST COMPANY
BY SERVING ITS CHIEF EXECUTIVE OFFICER-WAYNE S FOREN
12 CHURCH ST
FREDERICK MD 21701

GREETINGS:

You have been sued. You may employ an attorney. If you or your attorney do not file a written answer with the clerk who issued this citation by 10 o'clock a.m. of the Monday next following the expiration of twenty days after you were served this citation and **ORIGINAL** petition, a default judgment may be taken against you. Your answer should be addressed to the clerk of the **14th District Court** at 600 Commerce Street, Dallas, Texas 75202.
Said Plaintiff being **TERRY L HILL**

Filed in said Court on this the **6th day of July, 2006** against

QUADS FINANCIAL GROUP INC et al

For suit, said suit being numbered **DC-06-06325-A**, the nature of which demand is as follows:
Suit On **COMMERCIAL DISPUTE** etc. as shown on said petition, a copy of which accompanies this citation. If this citation is not served, it shall be returned unexecuted.

WITNESS: JIM HAMLIN, Clerk of the District Courts of Dallas, County Texas.

Given under my name and the Seal of said Court at office on this **11th day of July, 2006**

ATTEST: JIM HAMLIN

Clerk of the District Courts of Dallas, County, Texas

By Pearlette Terry, Deputy
PEARLETTE TERRY



MAIL ATTY

CITATION

06 AUG -3 AM 7:57

[Signature]
JIM HAMLIN
CLERK
TEXAS
DEPUTY

No. : DC-06-06325-A

TERRY HILL

vs.

QUADS FINANCIAL GROUP INC et al

ISSUED

on this the **11th day of July, 2006**

JIM HAMLIN
Clerk District Courts,
Dallas County, Texas

By **PEARLETTE TERRY**, Deputy

Attorney for Plaintiff
DONALD H RAY
6115 CAMP BOWIE
SUITE 200
FORT WORTH TX 76116
817-377-0500

DALLAS COUNTY CONSTABLE

FEEES NOT PAID

FEEES PAID

**HEADQUARTERS
FREDERICK COUNTY LAW
ENFORCEMENT CENTER**
110 Airport Drive East
Frederick, MD 21701
301-694-1046
301-694-1527 (Fax)
301-662-7655 (TTY)

JUDICIAL OPERATIONS
100 W. Patrick Street
Frederick, MD 21701
301-694-2162
301-631-3690 (Fax)



**JAMES W. HAGY
SHERIFF**

DETENTION CENTER
7300 Marcie's Choice Lane
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301-694-2550
301-694-2566 (Fax)

CENTRAL BOOKING
7300 Marcie's Choice Lane
Frederick, MD 21704
301-694-1790
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AFFIDAVIT OF SERVICE

STATE OF MARYLAND

COUNTY OF FREDERICK

I, Robert Disinger, A Constable, County of Frederick, State
of Maryland, being dully sworn, depose and say that I am a person of suitable age and
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I **PERSONALLY** SERVED a:

Citation

UPON:

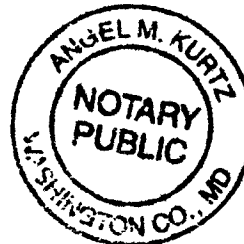
Quads Trust Company c/o Victor George (Vice President)

Robert Disinger
CONSTABLE
FREDERICK COUNTY, MARYLAND

SWORN TO AND SUBSCRIBED before me, this

26th day of July, 2006.

Angel M. Kurtz
NOTARY PUBLIC



MY COMMISSION EXPIRES:

**ANGEL M. KURTZ
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires December 27, 2008**



14TH JUDICIAL DISTRICT COURT
GEORGE L. ALLEN COURTS BUILDING
600 COMMERCE STREET
DALLAS, TEXAS 75202-4604

August 11, 2006

FILE COPY

DC-06-06325-A
TERRY HILL vs. QUADS FINANCIAL GROUP INC et al



ALL COUNSEL OF RECORD AND PRO SE PARTIES:

The above case is set for dismissal, pursuant to Rule 165A, Texas Rules of Civil procedure and pursuant to the inherent power of the Court, on:

September 15, 2006 at 2:00 PM

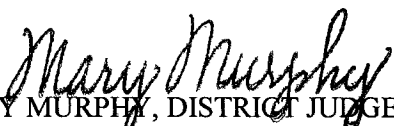
If no answer has been filed, or if the answer filed is sufficient as a matter of law to place any of the facts alleged in your petition in issue, you will be expected to have moved for, and to have had heard, a summary judgment or to have proved up a default judgment on or prior to that date. Your failure to have done so will result in the dismissal of the case on the above date.

If you have been unable to obtain service of process and you wish to retain the case on the docket, you must appear on the above date, unless you have obtained a new setting from the court coordinator.

In no event will live witness be required unless the default prove-up is for an unliquidated claim. Liquidated claims and attorneys fees may be proved up by affidavit and the default hearing may be by telephone if requested from the Court Clerk.

If you should have any question, please feel free to call us.

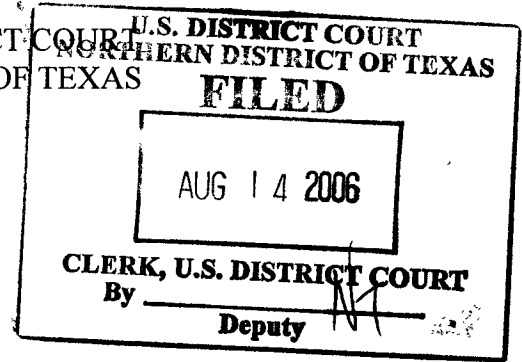
Sincerely,


MARY MURPHY, DISTRICT JUDGE
14TH DISTRICT COURT
Dallas County, Texas

Cc:
DONALD H RAY
6300 RIDGLEA PLACE
SUITE 1008
FORT WORTH TX 76116

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

U.S. DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FILED



**TERRI L. HILL and
INSTITUTION SECURITIES
CORPORATION**

Plaintiffs,

V.

QUADS FINANCIAL GROUP, INC. and
QUADS TRUST COMPANY,

Defendants.



CIVIL ACTION NO. _____

~~3-06CV1465-L~~

CERTIFICATE OF INTERESTED PERSONS

TO THE HONORABLE UNITED STATES DISTRICT COURT JUDGE:

COMES NOW Defendants Quads Financial Group, Inc. (QFG) and Quads Trust Company (QTC) and file this Certificate of Interested Persons with the Court. Pursuant to Local Rules 3.1(f) and 81.1(a)(3)(D), Defendants QFG and QTC disclose that the following individuals and entities have a financial interest in the outcome of this case:

Quads Financial Group, Inc.

Quads Trust Company

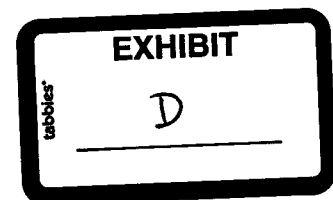
Qualified Investment Management Company

Independent Hose Financial Center, L.L.P.

KCB Services and Company, L.L.P.

Steve Paleos, Esq.

Law Office of Mike Forni/Mike Forni, Esq.



Terry L Hill

Institutional Securities Corporation

Ray & Wilson/Donald H. Ray, Esq.

Respectfully submitted,

By: Mike Forni
Mike Forni
Texas Bar No. 24032184
Law Office of Mike Forni
100 Crescent Court, 7th Floor
Dallas, Texas 75201
Telephone: 214-459-8228
Facsimile: 214-459-3101

ATTORNEY FOR DEFENDANTS

CERTIFICATE OF SERVICE

I hereby certify that I caused the foregoing document to be served by certified mail,
postage pre-paid this 14th day of August 2006, addressed to:

Donald H. Ray, Esq.
Ray & Wilson
6300 Ridglea Place, Suite 1008
Fort Worth TX 76116

Mike Forni
Mike Forni

JS 44 (Rev. 11/04)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS TERRY L. HILL INSTITUTIONAL SECURITIES CORPORATION (b) County of Residence of First Listed Plaintiff <u>DALLAS</u> (EXCEPT IN U.S. PLAINTIFF CASES) (c) Attorney's (Firm Name, Address, and Telephone Number)	DEFENDANTS QUADS FINANCIAL GROUP, INC. QUADS TRUST COMPANY County of Residence of First Listed Defendant <u>COLLEGE PARK, MARYLAND</u> (IN U.S. PLAINTIFF CASES ONLY) NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED. 3-06CV1465-L
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SEE ATTACHMENT

SEE ATTACHMENT

II. BASIS OF JURISDICTION (Place an "X" in One Box Only) <input type="checkbox"/> 1 U.S. Government Plaintiff <input type="checkbox"/> 2 U.S. Government Defendant <input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party) <input checked="" type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)	III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant) (For Diversity Cases Only) <table style="width:100%;"> <tr> <td style="width:33%;">Citizen of This State</td> <td style="width:33%;">Incorporated or Principal Place of Business In This State</td> <td style="width:33%;">PTF DEF</td> </tr> <tr> <td><input type="checkbox"/> 1</td> <td><input type="checkbox"/> 1</td> <td><input type="checkbox"/> 4 <input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td>Incorporated and Principal Place of Business In Another State</td> <td></td> </tr> <tr> <td><input type="checkbox"/> 2</td> <td><input type="checkbox"/> 2</td> <td><input type="checkbox"/> 5 <input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td>Foreign Nation</td> <td></td> </tr> <tr> <td><input type="checkbox"/> 3</td> <td><input type="checkbox"/> 3</td> <td><input type="checkbox"/> 6 <input type="checkbox"/> 6</td> </tr> </table>	Citizen of This State	Incorporated or Principal Place of Business In This State	PTF DEF	<input type="checkbox"/> 1	<input type="checkbox"/> 1	<input type="checkbox"/> 4 <input type="checkbox"/> 4	Citizen of Another State	Incorporated and Principal Place of Business In Another State		<input type="checkbox"/> 2	<input type="checkbox"/> 2	<input type="checkbox"/> 5 <input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	Foreign Nation		<input type="checkbox"/> 3	<input type="checkbox"/> 3	<input type="checkbox"/> 6 <input type="checkbox"/> 6
Citizen of This State	Incorporated or Principal Place of Business In This State	PTF DEF																	
<input type="checkbox"/> 1	<input type="checkbox"/> 1	<input type="checkbox"/> 4 <input type="checkbox"/> 4																	
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<input type="checkbox"/> 2	<input type="checkbox"/> 2	<input type="checkbox"/> 5 <input type="checkbox"/> 5																	
Citizen or Subject of a Foreign Country	Foreign Nation																		
<input type="checkbox"/> 3	<input type="checkbox"/> 3	<input type="checkbox"/> 6 <input type="checkbox"/> 6																	

SEE ATTACHMENT

IV. NATURE OF SUIT (Place an "X" in One Box Only)			
CONTRACT <input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input checked="" type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	TORTS PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	FORFEITURE/PENALTY <input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl Ret. Inc. Security Act	BANKRUPTCY <input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus: <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition	OTHER STATUTES <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes

V. ORIGIN (Place an "X" in One Box Only)							
<input type="checkbox"/> 1 Original Proceeding	<input checked="" type="checkbox"/> 2 Removed from State Court	<input type="checkbox"/> 3 Remanded from Appellate Court	<input type="checkbox"/> 4 Reinstated or Reopened	<input type="checkbox"/> 5 Transferred from another district (specify)	<input type="checkbox"/> 6 Multidistrict Litigation	<input type="checkbox"/> 7 Appeal to District Judge from Magistrate Judgment	

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

VI. CAUSE OF ACTION
Brief description of cause: SEE ATTACHMENT

VII. REQUESTED IN COMPLAINT:	<input type="checkbox"/> CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23	DEMAND \$ > \$75,000	CHECK YES only if demanded in complaint: JURY DEMAND: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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VIII. RELATED CASE(S) IF ANY N/A	(See instructions): JUDGE	DOCKET NUMBER
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DATE 8/14/06 SIGNATURE OF ATTORNEY OF RECORD Mike For

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____

III. CITIZENSHIP OF PRINCIPAL PARTIES:

Defendant, QUADS Financial Group, Inc. (QFG) was incorporated in Delaware and has its principal place of business in Maryland. Defendant, QUADS Trust Company (QTC) was chartered as a financial institution in Maine and has its principal place of business in Maryland. Plaintiff, Terry L. Hill (Hill) is a citizen of Texas. Plaintiff, Institutional Securities Corporation (ICS) was incorporated in Texas and has its principal place of business in Texas. Therefore, complete diversity exists among the respective parties.

IV. CAUSE OF ACTION

Plaintiffs maintain that defendants have disrupted their business relationship with their clients by trying to move clients to competing organization, charging unauthorized charges, and misrepresenting to institutions the ownership of Plaintiff ISC. Plaintiffs seek and economic damages and a permanent injunction.

Defendants maintain that Plaintiff Hill committed certain torts against defendants, which included violating his duty of loyalty as a director for defendants, committing certain business torts, self dealing and secretly profiting at the expense of Defendants. Defendants further maintain that Hill misappropriated Defendants' trademarks, trade secrets and other confidential and proprietary business information. Defendants also maintain that Hill violated the securities laws of the United States and was sent a cease and desist letter by QTC's counsel.

Respectfully submitted,

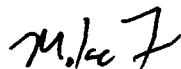


Mike Forni
Texas Bar # 24032184
100 Crecent Court, 7th Floor
Dallas, Texas 75201
(214) 459-8228 Phone
(214) 459-3101 Fax

CERTIFICATE OF SERVICE

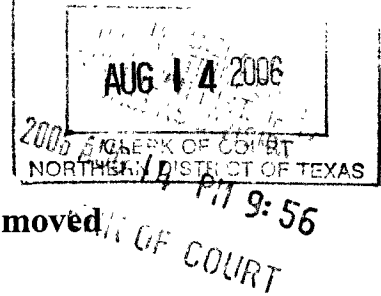
I hereby certify that I caused the foregoing document to be served by certified mail, postage pre-paid this 14th day of August 2006, addressed to:

Donald H. Ray, Esq.
Ray & Wilson
6300 Ridglea Place, Suite 1008
Fort Worth TX 76116



Mike Forni

**United States District Court
Northern District of Texas**



**Supplemental Civil Cover Sheet For Cases Removed
From State Court**

This form must be attached to the Civil Cover Sheet at the time the case is filed in the U.S. District Clerk's Office. Additional sheets may be used as necessary.

1. State Court Information:

3 - 0 6 C V 1 4 6 5 - L

Please identify the court from which the case is being removed and specify the number assigned to the case in that court.

Court

Case Number

14th JUDICIAL DISTRICT
DALLAS COUNTY, TEXAS

CAUSE NO. 06-06325

2. Style of the Case:

Please include all Plaintiff(s), Defendant(s), Intervenor(s), Counterclaimant(s), Crossclaimant(s) and Third Party Claimant(s) still remaining in the case and indicate their party type. Also, please list the attorney(s) of record for each party named and include their bar number, firm name, correct mailing address, and phone number (including area code.)

Party and Party Type

Attorney(s)

SEE ATTACHMENT

3. Jury Demand:

Was a Jury Demand made in State Court?

☐ Yes

☒ No

If "Yes," by which party and on what date?

Party

Date

Supplemental Civil Cover Sheet
Page 2

4. **Answer:**

Was an Answer made in State Court? ☐ Yes ☒ No

If "Yes," by which party and on what date?

Party

Date

5. **Unserved Parties:**

The following parties have not been served at the time this case was removed:

Party

Reason(s) for No Service

NONE .

6. **Nonsuited, Dismissed or Terminated Parties:**

Please indicate any changes from the style on the State Court papers and the reason for that change:

Party

Reason

NONE .

7. **Claims of the Parties:**

The filing party submits the following summary of the remaining claims of each party in this litigation:

Party

Claim(s)

SEE ATTACHMENT

5-1

[illegible]

202

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§

§

ATTACHMENT TO SUPPLEMENTAL CIVIL SHEET
FOR CASES REMOVED FROM STATE COURT

2. Style of the Case:

Plaintiff, Terri L. Hill
Plaintiff, Institution Securities Corporation

Attorney of Record for Plaintiffs:

Donald H. Ray, Esq.

Ray & Wilson

6300 Ridglea Place, Suite 1008

Fort Worth, Texas 76116

(817) 377-0500

Defendant, Quads Financial Group, Inc.

Defendant, Quads Trust Company

Attorney of Record/Local Counsel for Defendants:

Mike Forni, Esq.

Texas Bar No. 24032184

Law Office of Mike Forni

100 Crescent Court, 7th Floor

Dallas, Texas 75201

214-459-8228 Phone

In-House Corporate Counsel for Defendants:

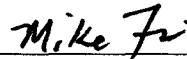
Steve Paleos, Esq.
Virginia Bar No. 23086
District of Columbia Bar No. 358580
Quads Trust Company
Quads Financial Group, Inc.
12 W. Church
Frederick, MD 21701
703-571-4281 Phone

7. Claims of the Parties

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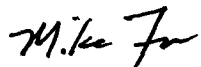


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